United Nations A/C.2/55/7

General Assembly

Distr.: General
17 October 2000

Original: English

Fifty-fifth session
Second Committee
Agenda item 92
Macroeconomic policy questions

Note verbale dated 10 October 2000 from the Permanent Mission of Lebanon to the United Nations addressed to the Secretary-General

The Permanent Mission of Lebanon to the United Nations presents its compliments to the Secretary-General of the United Nations and has the honour to enclose herewith a document entitled "World business message for the United Nations Millennium Assembly on the role of the United Nations in the twenty-first century" (see annex).

The Permanent Mission of Lebanon requests that you kindly circulate the enclosed document as a document of the General Assembly, under agenda item 92.

00-69604 (E) 181000

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World business message for the United Nations Millennium Assembly on the role of the United Nations in the twenty-first century

The International Chamber of Commerce (ICC), the world business organization, is the only representative body that speaks with authority on behalf of enterprises from all sectors in every part of the world.

Within a year of the creation of the United Nations, ICC was granted consultative status at the highest level with the organization. However, during most of the ensuing half century its working relationship with the organization was largely constrained by the ideological divisions of the cold war and a widespread attitude among UN members of suspicion and even hostility towards private enterprise.

Recent years have witnessed greater recognition of the central role of the private sector in a market economy and the important contribution that entrepreneurial initiative makes to economic development and social progress worldwide. This in turn has led to a substantial re-evaluation of the UN/business relationship and a much broader joint work programme, given impetus by the high-level meetings between ICC leaders headed by ICC President Adnan Kassar and senior UN officials headed by Secretary-General Kofi Annan in February 1998 and July 1999.

The joint statements by the UN Secretary-General and the International Chamber of Commerce (see annexes I and II) adopted at these meetings re-affirmed the great potential for the goals of the United Nations – promoting peace and development – and the goals of business – creating wealth and prosperity – to be mutually supportive.

To further these mutually supportive goals, business considers it essential that the UN take a lead in the following areas:

1. **First and foremost, promote peace and security as the essential foundations of productive economic activity**

   Crucial to enabling the benefits of globalization to spread to all mankind is the maintenance of peaceful conditions between and within sovereign states. The absence of armed conflict is a precondition for local entrepreneurship to flourish and for foreign business to invest.

2. **Continue its efforts to encourage concepts of good governance within countries**

Increased reliance on free enterprise, open markets and competition implies less detailed governmental regulation. At the same time, an orderly, stable society able to prosper economically from private entrepreneurship requires a framework of essential rules administered by strong, efficient, transparent and impartial government, the essence of good governance.

3. **Work for an environment that accords a central role to competitive markets and entrepreneurial initiative in creating growth and development**

Entrepreneurial initiative to satisfy consumers within a competitive market place is a key ingredient of the process of economic development. Governments have a crucial role to play in maintaining competitive conditions and in ensuring that successful entrepreneurship is positively recognized and rewarded.

4. **Strengthen global support for a rules-based open system of international trade and investment, while opposing all forms of protectionism**

The free flow across borders of goods and services, investment, know-how, technology and information remains a priority. The ICC stands ready to work closely with the UN in the task of demonstrating the crucial links between such flows and development.

However, freedom can only work within rules, and the same holds true for markets. A balance between freedom and rules needs to be achieved for the good functioning of the world economy.

5. **Enhance the capacity of developing countries, particularly the least developed, and economies in transition to integrate themselves into the global economy and share in the benefits of globalization**

One of the more worrying and potentially disrupting aspects of the process of growing global interdependence is the gap between countries that have successfully integrated into and benefit from a liberalized, competitive global economy and those that have only partially been able to do so or have largely failed for one reason or another to make significant progress in this regard. To reduce this gap will be one of the major challenges of the new century.

Business and rule-setters must respond to the most important challenge of today, the emergence of the global knowledge economy and the opportunities it offers in spreading more widely the benefits of globalization.

6. **Give special attention to capacity-building in least developed countries, particularly as regards human resources development, physical infrastructure and institutional reform, to assist them raise and attract investment and to link themselves into the global information society**

With the rapidly growing international flows of private capital, the UN and multilateral development agencies should increasingly focus their technical and financial assistance, and especially their concessionary aid, on helping the least developed countries, which have particular difficulties in attracting foreign direct investment.

7. **Continue the development of legal and technical norms crucial to the efficient and orderly functioning of an international economic system**

With a rapidly globalizing market place, ICC urges the UN to develop internationally accepted legal and technical norms to facilitate cross-border economic transactions, when necessary to complement those initiated by business itself.

8. **Give a lead to global action to ensure the protection and conservation of international "public goods" in such areas as the oceans, the atmosphere, water, biodiversity, and public health**

Currently, too much duplication and inadequate coordination are preventing intergovernmental bodies from handling effectively these complex problems. Truly global problems cannot be resolved by isolated national or regional efforts.

9. **Make the UN and its relevant agencies and programmes the recognized global institutions for promoting human rights and raising environmental and labour standards -- the core values advocated by the UN Secretary-General in his Global Compact with business**

History has shown that improvements in human rights and in labour and environmental standards are more readily attainable in conditions of rising prosperity, produced by the interaction of the market economy and good governance. Strong commitment to open markets and the effective treatment of these issues are mutually reinforcing and should go hand in hand.

The multilateral trading system should not be called upon to deal with such non-trade issues as human rights, labour standards and environmental protection. To call on it to do so would expose the trading system to great strain and the risk of increased protectionism while failing to produce the required results. The right place for addressing these issues is the UN and its appropriate agencies.

10. To achieve these ends, the effectiveness and authority of the UN should be strengthened by enlarging its resource base and, at the same time, streamlining its internal organization to achieve better coherence and coordination

World business recognizes the need for the UN to have sufficient resources and authority to tackle effectively the complex and often inter-related global problems of today, while urging further streamlining as part of the institutional reforms being undertaken by the UN system to tackle bureaucracy and the duplication of tasks. In this respect, the UN should assume responsibility for coordinating international decision-making more efficiently. There is a particular need for the UN to provide a strong single focal point on environmental issues, which have important linkages to the work of a host of other intergovernmental organizations.

On many issues of global concern, decision-making must now become global, with business involved in a meaningful policy dialogue. Today, cooperation between the UN system and ICC is well established. Business has taken on the challenge of the Global Compact launched by Secretary-General Kofi Annan to promote universally shared values in the areas of human rights, labour standards and environmental protection.

The ICC looks forward to working with the UN to further develop this synergy in the new century for the benefit of people everywhere. Given the appropriate enabling environment, business expects that it will be able to play its full part in advancing sustainable development, creating jobs and improving standards of living around the world.

ANNEX I

Cooperation between the United Nations and Business

Joint statement on common interests by the Secretary-General of the United Nations and the International Chamber of Commerce

On 9 February 1998, the Secretary-General of the United Nations met with representatives of the International Chamber of Commerce (ICC) to further the dialogue between the United Nations and the private sector. Representatives of more than 25 businesses from all regions of the world took part, along with Secretariat officials and, as observers, representatives of several United Nations Member States in their capacities as heads or members of intergovernmental bodies.

At the end of the meeting, the Secretary-General and ICC issued the following joint statement:

1. Broad political and economic changes have opened up new opportunities for dialogue and cooperation between the United Nations and the private sector. Such a partnership could give new impetus to the pursuit of a more prosperous and peaceful world.

2. There is great potential for the goals of the United Nations - promoting peace and development - and the goals of business - creating wealth and prosperity - to be mutually supportive. Development and peace are essential for trade and investment to occur and for business to grow. At the same time, thriving markets are a precondition for creating jobs, improving standards of living, spreading more widely the benefits of globalization and integrating developing countries into the world economy.

3. Achieving these goals depends greatly on the effective functioning of the global marketplace and on the existence of open, equitable, inclusive economic systems based on the free flow of trade, investment for economic growth and development and the avoidance of protectionist measures.

4. Growing economic interdependence among nations underscores the importance of supportive institutional frameworks. Business has a strong interest in multilateral cooperation, including standard-setting through the United Nations and other intergovernmental institutions and international conventions on the environment and other global and transborder issues.

5. The United Nations and the business community should work jointly to expand economic opportunities, especially in countries which may face marginalization. Ultimately, the promotion of development can succeed only if it leads to a situation in which investment sustains broadly based growth. In this regard, special attention must be given to the needs of African and the least developed countries.

6. Cooperation at the country level is largely about preparing the ground for business to invest on a scale and in a manner conducive to sustainable growth and development. Efforts by the international community to promote appropriate policies and good governance, to strengthen institutions and infrastructures, to eradicate poverty and to develop human resources are critical to the creation of a business-friendly environment. Taking into account the experience of business and drawing on its skills and resources can significantly enhance these efforts. Business is well aware that it must be a responsible partner in the social order in which it operates.

7. Further dialogue between the United Nations and the private sector should focus on articulating common interests, intensifying the search for partnerships and translating the potential of cooperation into concrete action. In particular, the business community should strengthen its dialogue with the relevant intergovernmental institutions and bodies, particularly the United Nations, including its organs such as the General Assembly and Economic and Social Council.

United Nations Headquarters
New York

ANNEX II

Joint Statement on the Global Compact proposed by the Secretary-General of the United Nations

Geneva, 5 July 1999

The Secretary-General of the United Nations, Kofi Annan, accompanied by senior UN officials, met today with the President of the International Chamber of Commerce, Adnan Kassar, and other ICC representatives to continue the dialogue the two organizations began in February 1998. The International Organization of Employers also participated.

1. The two sides reaffirmed that there is great potential for the goals of the United Nations – peace and development – and the goals of business – wealth creation and prosperity – to be mutually supportive.

2. The business leaders welcomed the UN Secretary-General's call for a Global Compact between the UN and the private sector to promote human rights, improve labour conditions and protect the environment. The business leaders expressed their readiness to cooperate with the United Nations in this common endeavour.

3. It was further noted that a stronger private sector worldwide, and particularly the positive impact of foreign direct investment, are already making an effective contribution to the attainment of UN goals. Both sides saw the Global Compact as reinforcing the collaborative partnership between the UN and ICC that is now well established.

4. The participants agreed with the UN Secretary-General's view that companies can best promote human rights and improved labour and environmental standards by the way they conduct their own businesses and by the spread of good corporate practices. By setting themselves high standards in these fields, they exercise a positive influence in their immediate environment and among customers, suppliers and business associates. By creating wealth and jobs, companies help to defeat poverty-the enemy of the humanitarian values espoused by the United Nations and shared by business. At the same time, companies cannot be expected to take on responsibilities outside their own sphere of activity that are properly the preserve of governments.

5. The participants recognized that the capability of companies to create wealth and to meet their responsibilities to their customers, employees and shareholders is indispensable to fulfilling the compact.

6. The participants agreed that the recent crisis in emerging markets underlined the importance of closer cooperation, not only among governments, but also among governments, business and civil society.

7. It was agreed that global markets require global rules. The aim should be to enable the benefits of globalization increasingly to spread to all people by building an effective framework of multilateral rules for a world economy that is being transformed by the globalization of markets. Business expertise is necessary to help governments to find the right balance between the freedom that allows the private sector to create wealth and employment, and rules that provide a background of economic stability and social cohesion.

8. The participants stressed the importance of a multilateral and integrated approach to dealing with complex and often interrelated consequences of globalization, among them the stability of financial markets. Such an approach is especially necessary for defining standards and rules to meet rapidly changing business conditions arising from global economic and financial integration and the worldwide spread of technological innovation. The business representatives expressed strong support for the work being done in this field by the United Nations and other major intergovernmental organizations.

9. The participants stressed the importance of the forthcoming Third Ministerial Conference of the World Trade Organization as an opportunity for its member governments to launch a new trade round. They considered that the early and successful conclusion of a new round would contribute to reinforcing the economic momentum generated by liberalization and to building a stronger rules-based multilateral trading system.

10. The participants recognized that, as history shows, improvements in human rights and in labour and environmental standards are more readily attainable in conditions of rising prosperity, produced by the interaction of the market economy and good governance.

11. There was agreement that a renewed commitment to open markets and the effecive treatment of labour issues, human rights questions and the protection of the environment are mutually reinforcing and should go hand in hand. However, the rules-based multilateral trading system was not designed to address these non-trade issues. To call on it to do so would expose the trading system to great strain and the risk of increased protectionism while failing to produce the desired results.

12. The participants agreed that the UN, and especially those agencies that are charged with addressing environmental, human rights and labour issues, is the right place for dealing with them. Enhancing the authority, effectiveness and resource base of these UN bodies is the most productive way forward. Advancing universally shared values would help to safeguard open markets and provide a strong underpinning for the process of globalization.

13. The two sides noted with satisfaction the work already undertaken by ICC and UN Conference on Trade and Development to promote foreign direct investment in least developed countries. They look forward to further joint initiatives to encourage growth of the private sector and promote development in these countries.

14. The UN and business representatives agreed that a continued cooperative partnership between the UN and the private sector would do much to spread the benefits of globalization. Working together to promote human rights and raise labour and environmental standards will help create the conditions in which the UN's ideals can be realized and business can make its full contribution to sustainable global prosperity.